
TITLE 326 AIR POLLUTION CONTROL DIVISION

FIRST NOTICE OF COMMENT PERIOD

LSA Document #15-427

VOLATILE ORGANIC LIQUID STORAGE TANK EMISSIONS

PURPOSE OF NOTICE

The Indiana Department of Environmental Management (IDEM) is soliciting public comment on amendments to rules at [326 IAC 8-9](#) concerning stationary liquid storage vessels used to store volatile organic liquids that are located in Clark, Floyd, Lake, or Porter county. IDEM seeks comment on the affected citations listed and any other provisions of Title 326 that may be affected by this rulemaking.

CITATIONS AFFECTED: [326 IAC 8-9-1](#); [326 IAC 8-9-2](#); [326 IAC 8-9-3](#); [326 IAC 8-9-4](#); [326 IAC 8-9-5](#); [326 IAC 8-9-6](#).

AUTHORITY: [IC 13-14-8-2](#); [IC 13-17-3-4](#).

SUBJECT MATTER AND BASIC PURPOSE OF RULEMAKING

Basic Purpose and Background

The Indiana Department of Environmental Management (IDEM) received a request to allow industry sources to use an alternative inspection method to demonstrate compliance with the rule at [326 IAC 8-9](#) concerning volatile organic liquid storage vessels. This rule currently applies to sources in Lake, Porter, Clark, and Floyd counties that use large storage vessels to store volatile organic liquids that are primarily in the petroleum refining, storage, and distribution industry. This rule is applicable to these four counties because these areas have previously been designated by the U.S. EPA as nonattainment for ozone, and, therefore, these requirements must remain in the state rules. Pursuant to [326 IAC 8-1-5](#), a source may petition IDEM to request a site-specific Reasonably Available Control Technology (RACT) plan as an alternative compliance method to the requirements specified in [326 IAC 8](#). These large storage vessels contain petroleum products that have the potential to release volatile organic compounds (VOC) to the atmosphere during the filling and emptying processes. Tanks that are subject to any provision of the New Source Performance Standards (NSPS) for Volatile Liquid Organic Storage Vessels (40 CFR 60, Subpart Kb) are currently exempt from this rule.

The United States Environmental Protection Agency (U.S. EPA) has established National Ambient Air Quality Standards (NAAQS) for ozone that are designed to protect human health and the environment. Ozone is formed through a photochemical reaction with VOCs and nitrogen oxides (NO_x) that react in the presence of sunlight and warm temperatures. VOC compounds are present in many industries and activities, including surface coating, furniture finishing, automobile refinishing, organic solvent degreasing, industrial adhesives, and all petroleum sources. The U.S. EPA has adopted a lower ozone standard.

Indiana's rule at [326 IAC 8-9](#) requires an inspection process for each affected tank at specific time intervals. If a tank is in use when it is time for an inspection, the tank must be emptied, degassed, inspected, and then refilled. This requirement is not only costly to sources because of the downtime and raw materials spent on this inspection process, but it also actually increases VOC emissions and therefore, ozone formation, each time the tank is emptied, degassed, and refilled. This rulemaking would provide affected sources the flexibility to comply with the inspection requirements using alternative inspection methods to inspect while the tank is in use. It would also reduce VOC emissions to the atmosphere by inspecting the tanks while in use rather than emptying them for inspections.

This rulemaking currently applies to petroleum sources in Lake, Porter, Clark, and Floyd counties that have the potential to emit VOCs from volatile organic liquid storage tanks of specific sizes and pressure thresholds. Other petroleum sources located in other counties in Indiana would also benefit from the flexibility of using an alternative inspection method when tanks are in use. In addition, to help ensure that Indiana can meet the new ozone standard, expanding the applicability of this rule to the entire state will result in greater VOC emission reductions than if it only applies to the four counties covered by the current rule. Statewide applicability will provide consistent requirements for this type of source. Therefore, IDEM is proposing to expand the applicability of this rulemaking to all counties in Indiana. This rulemaking will also update references, make corrections, and address standard language and style changes that have occurred over time since this rule was last revised.

IDEM has begun discussing this rulemaking with U.S. EPA and will continue to coordinate with U.S. EPA during the rulemaking. The final rule will be submitted to U.S. EPA for approval as an amendment to the state implementation plan. IDEM seeks comment on the affected citations listed, including suggestions for specific language, any other provisions of Title 326 that may be affected by this rulemaking, and alternative ways to achieve the purpose of the rulemaking.

Alternatives to Be Considered Within the Rulemaking

Alternative 1. Revise [326 IAC 8-9](#) to allow sources subject to this rule to use alternate inspection methods to demonstrate compliance, to include all other counties in Indiana, and to update references, make corrections, and address outdated language or style issues.

- Is this alternative an incorporation of federal standards, either by reference or full text incorporation? No.
- Is this alternative imposed by federal law or is there a comparable federal law? This alternative is not imposed by federal law and there is no comparable federal law. It is a state-only requirement.
- If it is a federal requirement, is it different from federal law? Not applicable.
- If it is different, describe the differences. Not applicable.

Alternative 2. Revise [326 IAC 8-9](#) to allow sources subject to this rule to use alternate inspection methods to demonstrate compliance, to include only the current counties of Clark, Floyd, Lake, or Porter in Indiana, and to update references, make corrections, and address outdated language or style issues.

- Is this alternative an incorporation of federal standards, either by reference or full text incorporation? No.
- Is this alternative imposed by federal law or is there a comparable federal law? This alternative is not imposed by federal law and there is no comparable federal law. It is a state-only requirement.
- If it is a federal requirement, is it different from federal law? Not applicable.
- If it is different, describe the differences. Not applicable.

Alternative 3. Do not do this rulemaking. This alternative would require sources to shut down the tanks to conduct inspections. This would cause unnecessary VOC and NO_x emissions and extra downtime, and the benefit to the public health would not materialize.

- Is this alternative an incorporation of federal standards, either by reference or full text incorporation? No.
- Is this alternative imposed by federal law or is there a comparable federal law? No.
- If it is a federal requirement, is it different from federal law? Not applicable.
- If it is different, describe the differences. Not applicable.

Applicable Federal Law

There are no federal laws applicable to this rulemaking. This amendment to the state rule will be submitted to the U.S. EPA for approval as part of Indiana's state implementation plan.

Potential Fiscal Impact

Potential Fiscal Impact of Alternative 1. This alternative will have a potential positive fiscal impact for each source within the state that chooses to participate, as the tanks become due for inspections because the costs of downtime and raw material to take a tank offline for an inspection would be eliminated. Additionally, this alternative will have a positive fiscal impact for the general public by reducing ozone emissions, which will improve the health of the public and, therefore, help to reduce health care costs, and to help Indiana meet the new ozone standard adopted by U.S. EPA.

Potential Fiscal Impact of Alternative 2. This alternative will have a potential positive fiscal impact for each source in Clark, Floyd, Lake, or Porter county, as the tanks become due for inspections because the costs of downtime and raw material to take a tank offline for an inspection would be eliminated. Additionally, this alternative will have a positive fiscal impact for the general public by reducing ozone emissions, which will improve the health of the public and, therefore, help to reduce health care costs, and to help Indiana meet the new ozone standard adopted by U.S. EPA.

Potential Fiscal Impact of Alternative 3. The potential savings for each source would not occur, and each source would continue to incur their current costs.

Small Business Assistance Information

IDEM established a compliance and technical assistance program (CTAP) under [IC 13-28-3](#). The program provides assistance to small businesses and information regarding compliance with environmental regulations. In accordance with [IC 13-28-3](#) and [IC 13-28-5](#), there is a small business assistance program ombudsman to provide a point of contact for small businesses affected by environmental regulations. Information on the CTAP program and other resources available can be found at:

www.in.gov/idem/ctap

For purposes of [IC 4-22-2-28.1](#), small businesses affected by this rulemaking may contact the Small Business Regulatory Coordinator:

Patricia Daniel
IDEM Small Business Regulatory Coordinator
IGCN 1316
100 North Senate Avenue
Indianapolis, IN 46204-2251
(317) 234-6562 or (800) 988-7901
ctap@idem.in.gov

For purposes of [IC 4-22-2-28.1](#), the Small Business Ombudsman designated by [IC 4-4-35-8](#) is:

Erik Scheub
Office of Small Business and Entrepreneurship
One North Capitol, Suite 600

Indianapolis, IN 46204
(317) 232-5679
ombudsman@osbe.in.gov

Resources available to regulated entities through the small business ombudsman include the ombudsman's duties stated in [IC 4-4-35-8](#), specifically [IC 4-4-35-8\(9\)](#), investigating and attempting to resolve any matter regarding compliance by a small business with a law, rule, or policy administered by a state agency, either as a party to a proceeding or as a mediator.

The Small Business Assistance Program Ombudsman is:

Steven N. Howell
IDEM Small Business Assistance Program Ombudsman
IGCN 1301
100 North Senate Avenue
Indianapolis, IN 46204-2251
(317) 232-8587 or (800) 451-6027
snhowell@idem.in.gov

Public Participation and Work Group Information

At this time, no work group is planned for the rulemaking. If you feel that a work group or other informal discussion on the rule is appropriate, please contact Jack Harmon, Rules Development Branch, Office of Legal Counsel at (317) 234-9535 or (800) 451-6027 (in Indiana).

REQUEST FOR PUBLIC COMMENTS

At this time, IDEM solicits the following:

- (1) The submission of alternative ways to achieve the purpose of the rule.
- (2) The submission of suggestions for the development of draft rule language.

Comments may be submitted in one of the following ways:

- (1) By mail or common carrier to the following address:

LSA Document #15-427 VOL Storage Tank Emissions
Jack Harmon
Rules Development Branch
Office of Legal Counsel
Indiana Department of Environmental Management
Indiana Government Center North
100 North Senate Avenue
Indianapolis, IN 46204-2251

- (2) By facsimile to (317) 233-5970. Please confirm the timely receipt of faxed comments by calling the Rules Development Branch at (317) 232-8922.

- (3) By electronic mail to jaharmon@idem.in.gov. To confirm timely delivery of submitted comments, please request a document receipt when sending the electronic mail. **PLEASE NOTE: Electronic mail comments will NOT be considered part of the official written comment period unless they are sent to the address indicated in this notice.**

- (4) Hand delivered to the receptionist on duty at the thirteenth floor reception desk, Office of Legal Counsel, Indiana Government Center North, 100 North Senate Avenue, Indianapolis, Indiana.

Regardless of the delivery method used, in order to properly identify each comment with the rulemaking action it is intended to address, each comment document must clearly specify the LSA document number of the rulemaking.

COMMENT PERIOD DEADLINE

All comments must be postmarked, faxed, or time stamped not later than January 15, 2016. Hand-delivered comments must be delivered to the appropriate office by 4:45 p.m. on the above-listed deadline date.

Additional information regarding this action may be obtained from Jack Harmon, Rules Development Branch, Office of Legal Counsel (317) 234-9535 or (800) 451-6027 (in Indiana).

Nancy King, Chief
Rules Development Branch
Office of Legal Counsel

Posted: 12/16/2015 by Legislative Services Agency

An [html](#) version of this document.